DETAILED ACTION

EXAMINER'S AMENDMENT

1.   An examiner's amendment to the record appears below. Should the changes
and/or additions be unacceptable to applicant, an amendment may be filed as provided by
37 CFR 1.312. To ensure consideration of such an amendment, it MUST be submitted no
later than the payment of the issue fee.

Authorization for this examiner's amendment was given in a telephone interview
with Patrick Arnold July 18, 2008.

The application has been amended as follow:

Claim 26 has been replaced by

- - Claim 26, A <u>computer implemented</u> method for convex futures contract
trading, the convex futures contract price related to an interest rate, wherein a plurality of
convex futures contracts are listed on an exchange and each of the plurality of convex
futures contracts has a related settlement price, expiration, and trade price, said method
comprising:

calculating and saving a first present value factor using the settlement price of a first
convex futures contract of the plurality of convex futures contracts whose expiration is
closest to the current date on which the first present value factor is calculated;

calculating and saving a present value factor for each of the remaining plurality of convex
futures contracts based on the previous present value factor calculation and the settlement
price of the convex futures contract whose expiration is next closest to the current date on
which the present value factor is calculated;

determining an actual tick value for each of the plurality of convex futures contracts
based on the present value factor for the convex futures contract and a base tick value
representing a currency value for a minimum change in a contract price;

generating a settlement amount for each of the plurality of convex futures contracts
using:

1) a number of contracts net bought or sold by an entity by the end of the previous day,

2) a number of contracts bought or sold by the entity by the end of the current day,

3) a price at which the entity bought or sold during the current day,

4) a settlement price for each contract for the previous day,

5) a settlement price for each contract for the current day, and

6) the actual tick value for the current day for each convex futures contract, the settlement amount representing, for each convex futures contract, an amount paid by an entity that lost money to the exchange or paid by the exchange to an entity that made money on the current day; and generating payment instructions for at least one of a buyer's bank and a seller's bank based on the settlement amount for each of the plurality of convex futures contracts.   - -

Claim 40 has been replaced by :

-- Claim 40, A computer implemented method for clearing convex futures contracts traded on an exchange by one or more trading firms, a price of the convex futures contracts related to an interest rate, said method comprising:

multiplying a trade price for a convex futures contract by a discount factor for an appropriate date to determine a settlement amount due by or to a trading firm, the discount factor modifying the trade price based on a base tick value adjusted by a representative closing price of last trading for the convex futures contract for the appropriate date;

notifying the trading firm of a trade confirmation for the convex futures contract, the trade price for the convex futures contract, the discount factor for the convex futures contract, open positions for the convex futures contract, and the settlement amount due to or from the trading firm; and

triggering a computer-assisted transfer of funds to or from an account associated with the trading firm.   - -

Allowable Subject Matter

2.   Claims 21-40 are allowable over the prior art of record as argued by Applicant's representative in their response dated 5/9/2008.

Conclusion

3.   Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement Graham whose telephone number is (571) 272-6797. The examiner can normally be reached on Monday-Thursday from 7:00AM to 5:30PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on (571) 272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

CG

/Frantzy Poinvil/
Primary Examiner, Art Unit 3692
July 11, 2008